# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:4856
ANSWERED ON:16.12.2016
Irregularities in Taxes
Sanjar Shri Alok

**Will the Minister of FINANCE be pleased to state:**

(a) whether the cases of irregularities in excise duty and service tax committed by drug manufacturing companies reported in the country;

(b) if so, the details thereof during each of the last three years and the current year, company-wise; and

(c) the amount of said duties/taxes recovered from each such company during the said period as on date?

## Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SANTOSH KUMAR GANGWAR)

(a) and (b): Yes, some cases of irregularities have been detected against drug manufacturing companies. However, data relating to irregularities in Central Excise and Service Tax is not maintained centrally, commodity wise or in terms of manufacturing product companies. The total number of detection and recovery made in respect of Central Excise and Service Tax evasion cases during 2013-14 to 2016-17 (upto October, 2016) is given in the ANNEXURE.

(c) Details of cases detected by Directorate General of Central Excise and Intelligence under Central Board of Excise & Customs, during the last three years and current year as well as duty recovered from the drug manufacturing companies is given in ANNEXURE.

ANNEXURE

Annexure referred to in reply to of Lok Sabha USQ No. 4856 dated 16.12.2016
The total number of detection and recovery made in respect of Central Excise and Service Tax evasion cases during 2013-14 to 2016-17 (upto October, 2016)
(Rs. in crore)

| YEAR | Detection | | Recovery | | | |
|---|---|---|---|---|---|---|
| | Central Excise | | Service Tax | | Central Excise | Service Tax |
| | No. of Cases | Amt. | No. of Cases | Amt. | No. of Cases Amt. | No. of Cases Amt. |
| 2013-14 | 2606 | 4736.59 | 9215 | 14842.32 | 2085 812.87 | 10075 5102.94 |
| 2014-15 | 2123 | 4334.80 | 6719 | 10544.33 | 1614 546.16 | 7703 4448.48 |
| 2015-16 | 2366 | 5296.84 | 7534 | 18970.86 | 1642 803.78 | 9086 4658.28 |
| 2016-17 (Upto October) | 1173 | 2990.00 | 4456 | 9030.67 | 782 377.00 | 4432 2334.00 |

The details of cases of Central Excise duty evasion against drug manufacturing companies detected by the Directorate General of Central Excise and Intelligence during the last three years and current year as well as duty recovered therefrom is given below:-
(Rs. In Crore)

| Year | Name and address of company | Issue involved | Central Excise duty involved | Realisation |
|---|---|---|---|---|
| 2013-14 | M/s Shree Krishna Keshav, having Central Excise Registered address as Nr. New Cotton Mill, B/h. Indranagar, Amraiwadi, Ahmedabad | Wrong availment of benefit of Notification No. 06/2002 dated 01.03.2012, Notification No. 04/2006- CE dated 01.03.200, Notification No. 01/2011-CE dated 01.03.2011 and Notification No. 16/2012-CE dated 17.03.2012. | 0.99 | Nil |
| | M/s Haseeb Pharmaceuticals Pvt. Ltd., Plot No. F 9/15, MIDC, Hingna, Nagpur-440016 | | 0.32 | 0.32 +0.14 (Interest)+ 0.015 (Penalty) |
| | Anjaneya Lifecare Ltd. K-4/1, Additional MIDC, Mahad, Distt. Raigad, | Wrong utilization of Cenvat input credit availed on inputs which cannot be used | 0.24 | 0.24 |
| | M/s Parabolic Drugs Ltd. SCO-99-100, Top Floor, Sector-17B, Chandigarh | Evasion of Central Excise Duty | 4.62 | 4.07 (Till date) |
| 2014-15 | Flemingo Pharmaceuticals Ltd. (100% EOU), E-28, MIDC Taloja, Distt. Raigad | Availment of inadmissible Cenvat Credit | 0.02 | Nil |
| | Flemingo Pharmaceuticals Ltd. R-662, TTC Ind Area, Rabale MIDC, Navi Mumbai | Availment of inadmissible Cenvat Credit | 0.04 | Nil |
| 2015-16 | M/s Parabolic Drugs Ltd. SCO-99-100, Top Floor, Sector-17B, Chandigarh | Evasion of Central Excise Duty | 1.46 | |
| 2016-17 (TILL 31 Nov.) | M/s Parabolic Drugs Ltd. SCO-99-100, Top Floor, Sector-17B, Chandigarh | Evasion of Central Excise Duty | 0.47 | |

No cases of Service Tax evasion by Drug Manufacturing Companies were detected by Directorate General of Central Excise and Intelligence. Data relating to cases of Central Excise duty and Service Tax evasion by such companies, in respect of field formations is not maintained centrally.